

FREQUENTLY ASKED QUESTIONS ABOUT THE QUARTER CENT SALES TAX REFERENDUM



When will the sales tax referendum be on the ballot in Catawba County? Tuesday, November 6, 2007

How will the funds raised by the quarter cent sales tax be used? Revenues from the sales tax would be used to avoid a 3.6 cent property tax increase over the next three years to address the following needs:

- **Economic Development**

1. To help attract new jobs to the county, and a multijurisdictional business park for economic development that has been discussed among County, municipal and Economic Development Corporation officials.
2. To avoid a planned one cent property tax increase in 2008 to help address water and sewer needs in Catawba County. As the county continues to grow, it is dealing with continuing septic tank failures, water table problems that are being worsened by the ongoing drought and pressures created by increased population growth.
3. For additional school funding for more teachers, leading to a better trained workforce and new job opportunities.

- **Public Safety**

1. To avoid a property tax increase that would be needed in 2009 to build additional courtroom space at the Catawba County Justice Center, which is almost 30 years old. The courtrooms are no longer adequate to accommodate the growing case loads currently in our court system.
2. To fund a vitally needed new 911 Center, Emergency Operations Center, rescue squad needs and Newton EMS Base, all of which are currently operating in aging buildings with inadequate space.

Why is the sales tax option being considered? The Board of Commissioners has stated it feels the sales tax is fairer because 1) it spreads the burden of the cost of providing services so that it does not fall solely on county property owners; 2) it captures revenue from those who live in the county but don't own property as well as those who live outside the county and come here to visit, shop and work; and 3) it will avoid future property tax increases that are currently planned.

Are there other options? In July 2007, the North Carolina General Assembly gave counties the authority to hold a referendum on either the quarter cent sales tax or a land transfer tax. The Board of Commissioners prefers the sales tax option because the land transfer tax continues to burden property owners and the quarter cent sales tax would bring in an estimated \$5 million per year (3.6 cents on the property tax rate) while the land transfer tax would bring in only \$3.1 million.

Tax relief for the elderly on fixed incomes. The Board of Commissioners announced on September 4, 2007 that it will ask the North Carolina General Assembly to increase the homestead exemption, which provides property tax relief for senior citizens, from the present \$25,000 annual income level to \$30,000 or \$35,000.

For more information on registering to vote on the November 6th referendum, you may call the Catawba County Board of Elections at 828-464-1135.